



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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December 3, 1990

Mr. Roy Benson
B M & T - Geneva Steel
Division Manager
c/o Keigley Quarry
Box 20-B, RFD #1
Santaquin, Utah 84655

Roy
Dear Mr. Benson:

Re: Review of Transfer of Notice of Intention, Large Mining Operations, Comstock Mine, M/021/005, Iron County, Utah

On November 13, 1990, the Division met with you and inspected the Comstock mine property. The purpose of the inspection was to see what could be done to help expedite the transfer of the Comstock mine site from C F & I Steel Corporation, to Basic Manufacturing and Technologies - Geneva Steel. A copy of our file memo documenting that field inspection is attached for your reference.

As indicated to you while onsite, the most significant detail delaying our being able to process the Comstock Mine permit transfer, concerns our ability to calculate an accurate reclamation estimate for this area. Before this can be done, we need to have current surface facilities/disturbed area maps of the affected areas. Without these maps we cannot prepare an accurate reclamation estimate.

Our October 31, 1990 letter to you discussed our recommendation to combine the Mountain Lion and Comstock Mine properties into one permit. A reclamation estimate would be calculated covering both of these areas which are presently separately bonded. You have indicated that Geneva Steel would like to pursue a Self-bonding and Indemnity Agreement for all of their iron mining properties in Utah. The Division would prefer to present two reclamation estimates to the Board. One would cover the Comstock and Mountain Lion properties. The other estimate would cover all of Geneva's remaining operations in the Iron Mountain area (i.e., acquired Ull properties, Iron Mtn., Burke Pit, Blackhawk Fines, Chesapeake/Excelsior, Tip Top, etc.).

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The attached field inspection memo also addresses our discussions concerning the topsoil pre-stripping issue and the angle of repose waste dump slopes at the Comstock Mine. We anticipate these concerns can be resolved as a separate issue from the ongoing CF&I/Geneva Steel permit transfer process.

Please call me or Wayne Hedberg if you have further questions. Thank you for your patience and understanding in this matter. We look forward to working with you in completing these permitting actions.

Sincerely,



Lowell P. Braxton
Associate Director, Mining

jb

Attachment

cc: Clay Parr, Kimball, Parr, Crockett & Waddoups
Dianne R. Nielson
Minerals Staff

MNM021005.4